

IC 6-1.1-3

Chapter 3. Procedures for Personal Property Assessment

IC 6-1.1-3-1

Residents and nonresidents; place of assessment; evidence of filing

Sec. 1. (a) Except as provided in subsection (c), personal property which is owned by a person who is a resident of this state shall be assessed at the place where the owner resides on the assessment date of the year for which the assessment is made.

(b) Except as provided in subsection (c), personal property which is owned by a person who is not a resident of this state shall be assessed at the place where the owner's principal office within this state is located on the assessment date of the year for which the assessment is made.

(c) Personal property shall be assessed at the place where it is situated on the assessment date of the year for which the assessment is made if the property is:

- (1) regularly used or permanently located where it is situated; or
- (2) owned by a nonresident who does not have a principal office within this state.

(d) If a personal property return is filed pursuant to subsection (c), the owner of the property shall provide, within forty-five (45) days after the filing deadline, a copy or other written evidence of the filing of the return to the assessor of the township in which the owner resides. If such evidence is not filed within forty-five (45) days after the filing deadline, the assessor of the township in which the owner resides shall determine if the owner filed a personal property return in the township where the property is situated. If such a return was filed, the property shall be assessed where it is situated. If such a return was not filed, the assessor of the township where the owner resides shall notify the assessor of the township where the property is situated, and the property shall be assessed where it is situated. This subsection does not apply to a taxpayer who:

- (1) is required to file duplicate personal property returns under section 7(c) of this chapter and under regulations promulgated by the department of local government finance with respect to that section; or
- (2) is required by the department of local government finance to file a summary of the taxpayer's business tangible personal property returns.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by Acts 1979, P.L.48, SEC.1; Acts 1980, P.L.35, SEC.1; P.L.2-1998, SEC.14; P.L.90-2002, SEC.21.

IC 6-1.1-3-2

Property held by trustee, party, or receiver

Sec. 2. If residence determines the place of assessment of personal property and the property is held by a trustee, guardian, or receiver, the residence of the trustee, guardian, or receiver is the place of

assessment.

(Formerly: Acts 1975, P.L.47, SEC.1.)

IC 6-1.1-3-3

Estate of deceased individuals

Sec. 3. If residence determines the place of assessment of personal property which is part of the estate of a deceased individual, the residence of the decedent immediately before his death is the place of assessment until the property is distributed to the heirs or other persons entitled to it.

(Formerly: Acts 1975, P.L.47, SEC.1.)

IC 6-1.1-3-4

Conflicts involving assessment location; settlement

Sec. 4. (a) If a question arises as to the proper place to assess personal property, the county assessor shall determine the place if the conflict involves different townships which are located within the county the assessor serves. If the conflict involves different counties, the department of local government finance shall determine the proper place of assessment.

(b) A determination made under this section by a county assessor or the department of local government finance is final.

(c) If taxes are paid to a county which is not entitled to collect them, the department of local government finance may direct the authorities of the county which wrongfully collected the taxes to refund the taxes collected and any penalties charged on the taxes.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.5-1988, SEC.41; P.L.90-2002, SEC.22.

IC 6-1.1-3-5

Assessment books and blanks; delivery

Sec. 5. Before the assessment date of each year, the county auditor shall deliver to each township assessor the proper assessment books and necessary blanks for the listing and assessment of personal property.

(Formerly: Acts 1975, P.L.47, SEC.1.)

IC 6-1.1-3-6

Return; furnishing to taxpayer

Sec. 6. Between the assessment date and the filing date of each year, the appropriate township assessor shall furnish each person whose personal property is subject to assessment for that year with a personal property return.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.2-1995, SEC.19.

IC 6-1.1-3-7

Filing returns; extension of time; consolidated returns

Sec. 7. (a) Except as provided in subsections (b) and (d), a taxpayer shall, on or before the filing date of each year, file a personal property

return with the assessor of each township in which the taxpayer's personal property is subject to assessment.

(b) The township assessor may grant a taxpayer an extension of not more than thirty (30) days to file the taxpayer's return if:

- (1) the taxpayer submits a written application for an extension prior to the filing date; and
- (2) the taxpayer is prevented from filing a timely return because of sickness, absence from the county, or any other good and sufficient reason.

(c) If the sum of the assessed values reported by a taxpayer on the business personal property returns which the taxpayer files with the township assessor for a year exceeds one hundred fifty thousand dollars (\$150,000), the taxpayer shall file each of the returns in duplicate.

(d) A taxpayer may file a consolidated return with the county assessor if the taxpayer has personal property subject to assessment in more than one (1) township in a county and the total assessed value of the personal property in the county is less than one million five hundred thousand dollars (\$1,500,000). A taxpayer filing a consolidated return shall attach a schedule listing, by township, all the taxpayer's personal property and the property's assessed value. A taxpayer filing a consolidated return is not required to file a personal property return with the assessor of each township. A taxpayer filing a consolidated return shall provide the following:

- (1) The county assessor with the information necessary for the county assessor to allocate the assessed value of the taxpayer's personal property among the townships listed on the return, including the street address, the township, and the location of the property.
- (2) A copy of the consolidated return, with attachments, for each township listed on the return.

(e) The county assessor shall provide to each affected township assessor in the county all information filed by a taxpayer under subsection (d) that affects the township. The county assessor shall provide the information before:

- (1) May 25 of each year, for a return filed on or before the filing date for the return; or
- (2) June 30 of each year, for a return filed after the filing date for the return.

(f) The township assessor shall send all required notifications to the taxpayer.

(g) The county assessor may refuse to accept a consolidated personal property tax return that does not have attached to it a schedule listing, by township, all the personal property of the taxpayer and the assessed value of the property as required under subsection (d). For purposes of IC 6-1.1-37-7, a consolidated return is filed on the date it is filed with the county assessor with the schedule of personal property and assessed value attached.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.61-1983, SEC.1; P.L.56-1985, SEC.1; P.L.54-1991, SEC.1; P.L.41-1993, SEC.4; P.L.25-1995, SEC.12; P.L.6-1997, SEC.9; P.L.198-2001, SEC.5.

IC 6-1.1-3-7.5

Amended returns; tax adjustments; credits

Sec. 7.5. (a) A taxpayer may file an amended personal property tax return, in conformity with the rules adopted by the department of local government finance, not more than six (6) months after the later of the following:

(1) The filing date for the original personal property tax return, if the taxpayer is not granted an extension in which to file under section 7 of this chapter.

(2) The extension date for the original personal property tax return, if the taxpayer is granted an extension under section 7 of this chapter.

(b) A tax adjustment related to an amended personal property tax return shall be made in conformity with rules adopted under IC 4-22-2 by the department of local government finance.

(c) If a taxpayer wishes to correct an error made by the taxpayer on the taxpayer's original personal property tax return, the taxpayer must file an amended personal property tax return under this section within the time required by subsection (a). A taxpayer may claim on an amended personal property tax return any adjustment or exemption that would have been allowable under any statute or rule adopted by the department of local government finance if the adjustment or exemption had been claimed on the original personal property tax return.

(d) Notwithstanding any other provision, if:

(1) a taxpayer files an amended personal property tax return under this section in order to correct an error made by the taxpayer on the taxpayer's original personal property tax return; and

(2) the taxpayer is entitled to a refund of personal property taxes paid by the taxpayer under the original personal property tax return;

the taxpayer is not entitled to interest on the refund.

(e) If a taxpayer files an amended personal property tax return for a year before July 16 of that year, the taxpayer shall pay taxes payable in the immediately succeeding year based on the assessed value reported on the amended return.

(f) If a taxpayer files an amended personal property tax return for a year after July 15 of that year, the taxpayer shall pay taxes payable in the immediately succeeding year based on the assessed value reported on the taxpayer's original personal property tax return. A taxpayer that paid taxes under this subsection is entitled to a credit in the amount of taxes paid by the taxpayer on the remainder of:

(1) the assessed value reported on the taxpayer's original personal property tax return; minus

(2) the finally determined assessed value that results from the filing of the taxpayer's amended personal property tax return.

Except as provided in subsection (k), the county auditor shall apply the credit against the taxpayer's property taxes on personal property payable in the year that immediately succeeds the year in which the taxes were paid.

(g) If the amount of the credit to which the taxpayer is entitled under subsection (f) exceeds the amount of the taxpayer's property taxes on

personal property payable in the year that immediately succeeds the year in which the taxes were paid, the county auditor shall apply the amount of the excess credit against the taxpayer's property taxes on personal property in the next succeeding year.

(h) Not later than December 31 of the year in which a credit is applied under subsection (g), the county auditor shall refund to the taxpayer the amount of any excess credit that remains after application of the credit under subsection (g).

(i) The taxpayer is not required to file an application for:

- (1) a credit under subsection (f) or (g); or
- (2) a refund under subsection (h).

(j) Before August 1 of each year, the county auditor shall provide to each taxing unit in the county an estimate of the total amount of the credits under subsection (f) or (g) that will be applied against taxes imposed by the taxing unit that are payable in the immediately succeeding year.

(k) A county auditor may refund a credit amount to a taxpayer before the time the credit would otherwise be applied against property tax payments under this section.

As added by P.L.6-1997, SEC.8. Amended by P.L.198-2001, SEC.6; P.L.90-2002, SEC.23.

IC 6-1.1-3-8

Vending machine owners

Sec. 8. (a) The owner of a vending machine shall place on the face of the machine an identification device which accurately reveals the owner's name and address, and he shall include the machine in his annual personal property return.

(b) For purposes of this section, the term "vending machine" means a machine which dispenses goods, wares, or merchandise when a coin is deposited in it and which by automatic action can physically deliver goods, wares, or merchandise to the depositor of the coin.

(Formerly: Acts 1975, P.L.47, SEC.1.)

IC 6-1.1-3-9

Return; necessary information

Sec. 9. (a) In completing a personal property return for a year, a taxpayer shall make a complete disclosure of all information required by the department of local government finance that is related to the value, nature, or location of personal property:

- (1) that the taxpayer owned on the assessment date of that year; or
- (2) that the taxpayer held, possessed, or controlled on the assessment date of that year.

(b) The taxpayer shall certify to the truth of:

- (1) all information appearing in a personal property return; and
- (2) all data accompanying the return.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.90-2002, SEC.24.

IC 6-1.1-3-10

Property located in two or more townships or taxing districts; additional or separate returns

Sec. 10. (a) If a taxpayer owns, holds, possesses, or controls personal property which is located in two (2) or more townships, he shall file any additional returns with the department of local government finance which the department of local government finance may require by regulation.

(b) If a taxpayer owns, holds, possesses, or controls personal property which is located in two (2) or more taxing districts within the same township, he shall file a separate personal property return covering the property in each taxing district.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.90-2002, SEC.25.

IC 6-1.1-3-11

"Inventory" defined; average method election

Sec. 11. (a) For purposes of this section, "inventory" means:

- (1) materials held for processing or for use in production;
- (2) finished or partially finished goods of a manufacturer or processor; and
- (3) property held for sale in the ordinary course of trade or business.

(b) If the inventory owned or held by a taxpayer on the assessment date of a year does not, in his opinion, fairly represent the average inventory carried by him, the taxpayer may elect to list his inventory for assessment on the basis of the average true tax value of the inventory owned or held by the taxpayer during the preceding calendar year, or during the portion of the preceding calendar year that the taxpayer was engaged in business.

(c) If a taxpayer elects to use the average method, he shall notify the township assessor of the election at the time he files his personal property return. The election, once made, is binding on the taxpayer for the tax year in question and for each year thereafter unless permission to change is granted by the department of local government finance.

(d) If a taxpayer elects to use the average method, he shall use that method for reporting the value of all his inventories which are located in this state.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.24-1986, SEC.3; P.L.90-2002, SEC.26.

IC 6-1.1-3-12

Average method of valuing inventory; bookkeeping

Sec. 12. (a) A taxpayer who elects to use the average method provided by section 11 of this chapter shall keep books which clearly show the inventory on hand and the true tax value of that inventory as of the last day of each accounting period. The books shall be kept in accordance with the rules of the department of local government finance.

(b) If a taxpayer adopts the average method of valuing inventory, he shall use at least twelve (12) uniform accounting periods for each calendar year. The accounting periods must represent the regular and

ordinary accounting practice of the taxpayer. If the taxpayer was engaged in business for only a portion of the preceding calendar year, the accounting periods must be such that there would be twelve (12) or more if used for a full year.

(c) The department of local government finance shall promulgate uniform rules for determining the fair, equitable, and practical true tax value of average inventories.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.24-1986, SEC.4; P.L.90-2002, SEC.27.

IC 6-1.1-3-13

"Processor" and "product" defined; assessment of processors inventory

Sec. 13. (a) For purposes of this section:

- (1) "processor" means a first processor of products; and
- (2) "products" means perishable horticultural products.

(b) In lieu of the average method of valuation provided in section 11 of this chapter, a processor of products may list for assessment his inventory of products which have passed the first process stage at either:

- (1) one-twelfth (1/12) of the true tax value of the products so processed by the processor in the twelve (12) month period ending on the assessment date; or
- (2) one-twelfth (1/12) of the true tax value of the products so processed by the processor and stored by him on the assessment date.

(c) If a processor has not been in business for a continuous twelve (12) month period preceding the assessment date, he may list for assessment his inventory of products which have passed the first process state at either:

- (1) the true tax value of the products so processed by the processor during the period that the processor was in business, divided by the number of whole months that he was in business; or
- (2) the true tax value of the products so processed by the processor and stored by him on the assessment date, divided by the number of whole months that the processor was in business.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.24-1986, SEC.5.

IC 6-1.1-3-14

Verification of returns

Sec. 14. The township assessor shall:

- (1) examine and verify; or
- (2) allow a contractor under IC 6-1.1-36-12 to examine and verify;

the accuracy of each personal property return filed with the township assessor by a taxpayer. If appropriate, the assessor or contractor under IC 6-1.1-36-12 shall compare a return with the books of the taxpayer and with personal property owned, held, possessed, controlled, or occupied by the taxpayer.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.178-2002, SEC.4.

IC 6-1.1-3-15

Failure to file return; alternative assessment procedures; election to file

Sec. 15. (a) In connection with the activities required by section 14 of this chapter, or if a person owning, holding, possessing, or controlling any personal property fails to file a personal property return with the township assessor as required by this chapter, the township assessor may examine:

- (1) the personal property of the person;
- (2) the books and records of the person; and
- (3) under oath, the person or any other person whom the assessor believes has knowledge of the amount, identity, or value of the personal property reported or not reported by the person on a return.

(b) After such an examination, the assessor shall assess the personal property to the person owning, holding, possessing, or controlling that property.

(c) As an alternative to such an examination, the township assessor may estimate the value of the personal property of the taxpayer and shall assess the person owning, holding, possessing, or controlling the property in an amount based upon the estimate. Upon receiving a notification of estimated value from the township assessor, the taxpayer may elect to file a personal property return, subject to the penalties imposed by IC 6-1.1-37-7.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by Acts 1977, P.L.63, SEC.1; P.L.57-1985, SEC.1.

IC 6-1.1-3-16

Property converted for tax avoidance; assessment

Sec. 16. If, from the evidence before him, a township assessor determines that a person has temporarily converted any part of his personal property into property which is not taxable under this article to avoid the payment of taxes on the converted property, the township assessor shall assess the converted property to the taxpayer.

(Formerly: Acts 1975, P.L.47, SEC.1.)

IC 6-1.1-3-17

Assessment list; certification to county auditor

Sec. 17. (a) On or before June 1 of each year, each township assessor of a county shall deliver to the county assessor a list which states by taxing district the total of the personal property assessments as shown on the personal property returns filed with the assessor on or before the filing date of that year and in a county with a township assessor under IC 36-6-5-1 in every township the township assessor shall deliver the lists to the county auditor as prescribed in subsection (b).

(b) On or before July 1 of each year, each county assessor shall certify to the county auditor the assessment value of the personal

property in every taxing district.

(c) The department of local government finance shall prescribe the forms required by this section.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.6-1997, SEC.10; P.L.90-2002, SEC.28.

IC 6-1.1-3-18

Reports to county assessors and auditors; copies of returns

Sec. 18. (a) Each township assessor of a county shall periodically report to the county assessor and the county auditor with respect to the returns and properties of taxpayers which the township assessor has examined. The township assessor shall submit these reports in the form and on the dates prescribed by the department of local government finance.

(b) Each year, on or before the time prescribed by the department of local government finance, each township assessor of a county shall deliver to the county assessor a copy of each business personal property return which the taxpayer is required to file in duplicate under section 7(c) of this chapter and a copy of any supporting data supplied by the taxpayer with the return.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.2-1998, SEC.15; P.L.90-2002, SEC.29.

IC 6-1.1-3-19

Information available to county assessor and county property tax assessment board of appeals

Sec. 19. While a county property tax assessment board of appeals is in session, each township assessor of the county shall make the following information available to the county assessor and the board:

(1) personal property returns;

(2) documents related to the returns; and

(3) any information in the possession of the assessor which is related to the identity of the owners or possessors of property or the values of property. Upon written request of the board, the township assessor shall furnish this information to any member of the board either directly or through employees of the board.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.6-1997, SEC.11.

IC 6-1.1-3-20

Change in valuation; notice

Sec. 20. If an assessing official or board changes a valuation made by a person on his personal property return or adds personal property and its value to a return, the assessing official or board shall, by mail, immediately give the person notice of the action taken. However, if a taxpayer lists property on his return but does not place a value on the property, a notice of the action of an assessing official or board in placing a value on the property is not required.

(Formerly: Acts 1975, P.L.47, SEC.1.)

IC 6-1.1-3-21

Public inspection of assessment documents; assessor's office

Sec. 21. (a) Subject to the limitations contained in IC 6-1.1-35-9, assessment returns, lists, and any other documents and information related to the determination of personal property assessments shall be preserved as public records and open to public inspection. The township assessor shall preserve and maintain these records if quarters for his office are provided in the county court house, or a branch thereof. If quarters are not provided for the township assessor, he shall, as soon as he completes his audit of a return, deliver the return and all related documents and information to the county assessor, and the county assessor shall maintain and preserve the items. The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor.

(b) Each county shall furnish an office for a township assessor in the county courthouse, or a branch thereof, if the township he serves has a population of thirty-five thousand (35,000) or more. A county may furnish an office in the county courthouse, or branch thereof, for any township assessor.

(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by P.L.6-1997, SEC.12.

IC 6-1.1-3-22

Personal property tax manual; incorporation by reference

Effective 1-1-2003.

Sec. 22. (a) Except to the extent that it conflicts with a statute, 50 IAC 4.2 (as in effect January 1, 2001) is incorporated by reference into this section.

(b) Tangible personal property within the scope of 50 IAC 4.2 (as in effect January 1, 2001) shall be assessed on the assessment dates in calendar years 2003 and thereafter in conformity with 50 IAC 4.2 (as in effect January 1, 2001).

(c) The publisher of the Indiana Administrative Code may continue to publish 50 IAC 4.2 (as in effect January 1, 2001) in the Indiana Administrative Code.

(d) 50 IAC 4.3 and any other rule to the extent that it conflicts with this section is void.

(e) A reference in 50 IAC 4.2 to a governmental entity that has been terminated or a statute that has been repealed or amended shall be treated as a reference to its successor.

As added by P.L.192-2002(ss), SEC.28.